GOVERNMENT OF INDIA
POWER
LOK SABHA

STARRED QUESTION NO:332
ANSWERED ON:18.08.2006
INCENTIVES TO SEBS
Pathak Shri Brajesh;Sethi Shri Arjun Charan

Will the Minister of POWER be pleased to state:

(a) whether the Government provides incentives to States under the Accelerated Power Development & Reforms Programme (APDRP);

(b) if so, the details thereof along with the criteria fixed for incentives;

(c) the financial losses being incurred by SEBs as on date and the total amount released under the APDRP during the last three years, State-wise;

(d) whether the Government has received representation from any State requesting for release of incentives for reduction of losses of its Electricity Board; and

(e) if so, the details thereof along with the decision taken by the Government thereon?

Answer

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE)

(a) to (e) : A Statement is laid on the Table of the House.

STATEMENT

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF STARRED QUESTION NO. 332 TO BE ANSWERED IN THE LOK SABHA ON 18.08.2006 REGARDING INCENTIVES TO SEBs.

(a) & (b) : Yes, Sir. Under the incentive component of APDRP, the state utilities are incentivised up to 50% of the actual cash loss reduction by them as grant. The year 2000-01 has been fixed as the base year for calculating the reduction of loss during subsequent years. Losses are calculated net of any subsidy & tariff compensation given by the state Government both in the base year as well as during the subsequent years. All types of subsidies are netted off and the auditor`s qualifications affecting the profit or loss for the period under scrutiny are also factored out. Incentive in the subsequent years is given on the incremental loss reduction effected by the utility. The calculation of loss is done at the Utility level. For the states, where SEBs have been unbundled, profit/loss for transmission and distribution utilities is accounted together for assessing reduction in cash loss. Private utilities are not eligible for APDRP incentive.

(c) : As per the information compiled by Power Finance Corporation

(PFC) up to the year 2004-05, the overall financial/commercial losses (without subsidy) of the State Power Utilities were Rs.29,331 Crore during 2001-02, which have been reduced to Rs.22,129 Crore during 2004-05. Details are at Annexure-I. A statement showing the funds released till date under investment component of APDRP to various States is at Annexure-II.

(d) & (e) : So far, Ministry has received incentive claims from 21 states. On scrutiny, 8 states were found to be eligible and an amount of Rs.1536.62 Crore has been released to these states. A statement containing details of claims received for grant of incentive from 21 States is at Annexure-III.